

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
1401 H Street, N.W.
Suite 3000
Washington, D.C. 20530)
Plaintiff,)
v.)
PREMDOR INC.,) Civil No.: 01-01696 (GK)
1600 Britannia Road East)
Mississauga, Ontario)
Canada L4W 1J2) Filed: August 3, 2001
PREMDOR U.S. HOLDINGS, INC.,)
One North Dale Mabry Highway)
Suite 950)
Tampa, Florida 33609)
INTERNATIONAL PAPER COMPANY,)
400 Atlantic Street)
Stamford, Connecticut 06921)
and)
MASONITE CORPORATION,)
1 South Wacker Drive)
Chicago, Illinois 60606)
Defendants.)

FILED
APR 08 2002
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

FINAL JUDGMENT

WHEREAS, plaintiff, United States of America, filed its Complaint on August 3, 2001, plaintiff and defendants, Premdor Inc. (“Premdor”), Premdor U.S. Holdings, Inc. (“Premdor U.S.”), International Paper Company (“IP”), and Masonite Corporation (“Masonite”), by their

(iv)

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respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of certain rights or assets by the defendants to assure that competition is not substantially lessened;

AND WHEREAS, plaintiff requires defendants to make certain divestitures for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, defendants Premdor and Premdor U.S. have represented to the United States that the divestitures required below can and will be made, and defendants IP and Masonite have represented that as of the time of signing the stipulation to the entry of this Final Judgment, the divestiture required below can and will be made, and each defendant agrees that it will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

II. Definitions

As used in this Final Judgment:

A. “Acquirer” or “Acquirers” means the entity or entities to whom the Towanda Facility is divested.

B. “Premdor” means defendant Premdor Inc., a Canadian corporation with its headquarters in Mississauga, Ontario, Canada, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. “Premdor U.S.” means defendant Premdor U.S. Holdings, Inc., a Florida corporation and a wholly owned subsidiary of Premdor with its headquarters in Tampa, Florida, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. “IP” means defendant International Paper Company, a New York corporation with its headquarters in Stamford, Connecticut, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

E. "Masonite" means defendant Masonite Corporation, a Delaware corporation and a wholly owned subsidiary of IP with its headquarters in Chicago, Illinois, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

F. "Doorskin" means the facing components used in the manufacture of an interior flush door; two doorskins are required for each door -- one for the front facing and one for the rear facing of the door.

G. "Molded Doorskin" means a hardboard doorskin made from a fibrous mat that has been molded under extreme pressure and at a high temperature into a raised panel design.

H. "Proprietary Premdor Product" means any product manufactured by Masonite in which Premdor has an ownership interest and which Masonite has agreed in writing not to sell to anyone other than Premdor.

I. "Towanda Facility" means Masonite's Molded Doorskin production facility located in Towanda, Pennsylvania including:

- (1) all tangible assets that comprise the Towanda Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used at the Towanda Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the

production of any Proprietary Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility (provided, however, that any contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S. are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair, performance, and Towanda Facility records and all other records relating to the Towanda Facility; and

(2) any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility, including, but not limited to: (a) subject to the right of Premdor and Premdor U.S., for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment, to use up any Premdor co-branded packaging or promotional material, exclusive use of the CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Classique,

Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural, Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskins at the Towanda Facility, including all blueprints and engineering drawings needed for the manufacture of dies used in the Molded Doorskin presses at the Towanda Facility; (b) all information, documents and computer records, relating to the production, sales, marketing or distribution of any products sold under any of the brand names identified in section I(2)(a), including all files relating to purchasers (other than Premdor and Premdor U.S.) of Molded Doorskins or doors manufactured with Molded Doorskins; (c) with respect to all other intellectual property rights currently used or currently planned to be used in connection with the production of Molded Doorskins at both the Towanda Facility and other nondivested Molded Doorskin production facilities, a transferable license; (d) all existing licenses and sublicenses relating exclusively to the Towanda Facility; (e) a transferable sublicense, exclusive in the Acquirer(s) of the Towanda Facility, to all other existing licenses and sublicenses relating to the Towanda Facility; and (f) all research or market evaluations relating exclusively to the Towanda Facility or to customers and copies of all other research, market evaluations or information relating to plans for, improvements or updates to, or product

line extensions of Masonite's Molded Doorskin business in existence as of the date the Towanda Facility is divested. Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided to employees, customers, suppliers, agents, or licensees, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights do not include rights to the "Masonite" brand name or to any Proprietary Premdor Product.

- (3) The Towanda Facility does not include IP corporate documents, intellectual property owned by IP or other materials regularly maintained at IP headquarters that were not part of the Purchase Agreement.

J. "The North American Molded Products Business" means Masonite's Molded Doorskin business, including:

- (1) production facilities located in Towanda, Pennsylvania and Laurel Mississippi, and all tangible assets that comprise the Towanda Facility and

the Laurel Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used at the Towanda Facility and the Laurel Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the production of any Proprietary Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility and the Laurel Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility and the Laurel Facility (provided, however, that any contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S. are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair,

performance, and Towanda Facility and Laurel Facility records and all other records relating to the Towanda Facility and the Laurel Facility;

(2) any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility and the Laurel Facility, including, but not limited to: (a) subject to the right of Premdor and Premdor U.S., for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment, to use up any Premdor co-branded packaging or promotional material, the CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Classique, Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural, Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskins at the Towanda Facility and the Laurel Facility; (b) all existing licenses and sublicenses relating exclusively to the Towanda Facility and the Laurel Facility; and (c) all research, market evaluations or information relating to plans for, improvements or updates to, or product line extensions of Masonite's Molded Doorskin business. Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related

documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided to employees, customers, suppliers, agents, or licensees, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights do not include rights to any Proprietary Premdor Product; and,

- (3) the Illinois Corporate Offices, the Research Center and the Sales and Marketing Offices of Masonite, including all information maintained at these locations, all written and electronic records and files of these locations, and all tangible and intangible property and assets located at them, with the exception of such information, records, files and property that do not concern the production, sale, marketing, or distribution of Molded Doorskins or doors manufactured with Molded Doorskins in North America.
- (4) The North American Molded Products Business does not include IP corporate documents, intellectual property owned by IP or other materials

regularly maintained at IP headquarters that were not part of the Purchase Agreement.

K. "Purchase Agreement" means the Purchase Agreement by and among IP, Premdor and Premdor U.S. dated as of September 30, 2000 and includes all associated schedules and any subsequent modifications to or revisions of that agreement.

III. Applicability

A. This Final Judgment applies to Premdor, Premdor U.S., IP, and Masonite, as defined above, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. Defendants shall require, as a condition of the sale or other disposition of all or substantially all of their assets or of lesser business units that include the Towanda Facility, that the purchaser agrees to be bound by the provisions of this Final Judgment, provided, however, that defendants need not obtain such an agreement from the Acquirer(s).

IV. Divestiture

A. Defendants are ordered and directed within (a.) the earlier of 1.) one hundred-fifty (150) calendar days after the filing of the Complaint in this matter, or 2.) one hundred-twenty (120) calendar days after the closing of the transaction in the Purchase Agreement, or, if later, (b.) five (5) calendar days after the entry of the Final Judgment, to:

(1) divest the Towanda Facility in a manner consistent with this Final Judgment as a viable, ongoing business to Acquirers acceptable to the United States in its sole discretion;

- (2) at the option of the Acquirer(s) enter into an agreement to supply, for a maximum period of 12 months from the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment, at a price not greater than the cost of production, any reasonably necessary number of the dies used by Masonite to produce the full range of Molded Doorskins designs and sizes that Masonite has the ability to produce as of the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment;
- (3) at the option of the Acquirer(s), enter into an agreement to supply, for a maximum period of 12 months from the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment, reasonable levels of transitional and manufacturing start-up support that will enable the Acquirer(s) to produce Molded Doorskins.

B. The United States, in its sole discretion, may extend the time period for the divestiture two additional periods of time, not to exceed thirty (30) calendar days each, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Towanda Facility as expeditiously as possible.

C. In accomplishing the divestiture ordered by this Final Judgment, defendants promptly shall make known, by usual and customary means, the availability of the Towanda Facility. Defendants shall inform any person making inquiry regarding a possible purchase of the Towanda Facility that it is being divested pursuant to this Final Judgment and provide that

person with a copy of this Final Judgment. Defendants shall offer to furnish to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Towanda Facility customarily provided in a due diligence process except: (1) such information or documents subject to the attorney-client or work-product privileges; and (2) such information or documents consisting solely of information relating to purchases by Premdor and Premdor U.S. Defendants shall make available such information to the United States at the same time that such information is made available to any other person.

D. Defendants shall provide the Acquirer(s) and the United States information relating to any IP or Masonite personnel involved in the research, design, production, operation, development, marketing, and sale of Molded Doorskins to enable the Acquirer(s) to make offers of employment. Defendants will not interfere with any negotiations by the Acquirer(s) to employ any person whose primary responsibility is the research, design, production, operation, development, marketing or sale of Molded Doorskins. Defendants are prohibited from soliciting or making any offers or counteroffers of employment to any employee of the North American Molded Products Business except with respect to: (1) personnel at or with responsibility for the Laurel Facility; (2) personnel at the West Chicago research and development facility.

E. Defendants, or if the transaction contemplated in the Purchase Agreement has closed, defendant Premdor shall permit prospective Acquirers of the Towanda Facility to have reasonable access to personnel and to make inspections of the physical facilities of the Towanda Facility; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information

customarily provided as part of a due diligence process (except such information or documents subject to the attorney-client or work-product privileges or consisting solely of information relating to purchases by Premdor and/or Premdor U.S.).

F. Defendants shall warrant to the Acquirer(s) of the Towanda Facility that each asset will be operational on the date of sale.

G. Defendants warrant that they have the authority to convey all intellectual property described in Section II.I under the definition of Towanda Facility free and clear of any encumbrances, contractual commitments or obligations to third parties.

H. Defendants shall not take any action that will impede in any way the permitting, operation, or divestiture of the Towanda Facility.

I. Defendants shall not take any action that will impede or exclude their customers from buying Molded Doorskins produced by the Acquirer(s) of the Towanda Facility for two years from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment.

J. Defendants shall not take any action that will impede or exclude their customers from selling doors manufactured with Molded Doorskins produced by the Acquirer(s) of the Towanda Facility for two years from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment.

K. Defendants shall warrant to the Acquirer(s) of the Towanda Facility that there are no material defects in the environmental, zoning or other permits pertaining to the operation of each asset, and that following the sale of the Towanda Facility, defendants will not undertake,

directly or indirectly, any challenges to the environmental, zoning, or other permits relating to the operation of the Towanda Facility.

L. Unless the United States otherwise consents in writing, the divestiture pursuant to Section IV, or by trustee appointed pursuant to Section VI, of this Final Judgment, shall include the entire Towanda Facility, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion, that the Towanda Facility can and will be used by the Acquirer(s) as part of a viable, ongoing Molded Doorskin business. The divestiture, whether pursuant to Section IV or Section VI of this Final Judgment,

- (1) shall be made to an Acquirer (or Acquirers) that, in the United States's sole judgment, has the intent and capability (including the necessary managerial, operational, technical and financial capability) of competing effectively in the manufacture and sale of Molded Doorskins; and
- (2) shall be accomplished so as to satisfy the United States, in its sole discretion, that none of the terms of any agreement between an Acquirer (or Acquirers) and any of the defendants gives any of the defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer(s) to compete effectively.

V. Appointment of Monitoring Trustee

A. Immediately upon the filing of this Final Judgment, the United States may, in its sole discretion, appoint a monitoring trustee, subject to approval by the Court.

B. The trustee shall have the power and authority to monitor defendants' compliance with the terms of this Final Judgment and the Hold Separate Stipulation and Order entered by this Court and shall have such powers as this Court deems appropriate. Subject to Section V(C) of this Final Judgment, the monitoring trustee may hire at the cost and expense of defendant Premdor any consultants, accountants, attorneys, or other persons, who shall be solely accountable to the monitoring trustee, reasonably necessary in the monitoring trustee's judgment.

C. Defendants shall not object to actions taken by the monitoring trustee in fulfillment of the monitoring trustee's responsibilities under any Order of this Court on any ground other than the monitoring trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the monitoring trustee within ten (10) calendar days after the action taken by the monitoring trustee giving rise to the defendants' objection.

D. The monitoring trustee shall serve at the cost and expense of defendant Premdor, on such terms and conditions as the plaintiff approves. The compensation of the monitoring trustee and any consultants, accountants, attorneys, and other persons retained by the monitoring trustee shall be on reasonable and customary terms commensurate with the individuals' experience and responsibilities.

E. The monitoring trustee shall have no responsibility or obligation for the operation of defendants' businesses.

F. Defendants shall use their best efforts to assist the monitoring trustee in monitoring defendants' compliance with their individual obligations under this Final Judgment and under the Hold Separate Stipulation and Order. The monitoring trustee and any consultants, accountants, attorneys, and other persons retained by the monitoring trustee shall have full and complete access to the personnel, books, records, and facilities of the North American Molded Products Business, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the monitoring trustee's accomplishment of its responsibilities.

G. After its appointment, the monitoring trustee shall file monthly reports with the United States and the Court setting forth the defendants' efforts to comply with their individual obligations under this Final Judgment and under the Hold Separate Stipulation and Order. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court.

H. The monitoring trustee shall serve until the divestiture of the Towanda Facility is finalized pursuant to either Section IV or Section VI of this Final Judgment.

VI. Appointment of a Trustee to Effect the Divestiture

A. If the Towanda Facility has not been divested within the time period specified in Section IV(A), defendants shall notify the United States of that fact in writing. If a monitoring trustee has been appointed under Section V of this Final Judgment, the monitoring trustee shall immediately assume the sole power and authority to effect the divestiture of the Towanda

Facility. If a monitoring trustee has not been appointed, upon application of the United States, the Court shall appoint a trustee selected by the United States and approved by the Court to effect the divestiture of the Towanda Facility.

B. Upon the appointment of a trustee and expiration of the time specified in Section IV(A) of this Final Judgment, only the trustee shall have the right to sell the Towanda Facility. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer or Acquirers acceptable to the United States at such price and on such terms as are then obtainable upon reasonable efforts by the trustee, subject to the provisions of Sections IV, VI, and VII of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section VI (C) of this Final Judgment, the trustee may hire at the cost and expense of defendant Premdor, any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

C. Defendants shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VII.

D. The trustee shall serve at the cost and expense of defendant Premdor, on such terms and conditions as the plaintiff approves, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. Upon receipt of such monies, the trustee shall place the monies in an interest bearing account. After approval by the

Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money, including accrued interest, shall be paid to defendants and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

E. Defendants shall use their best efforts to assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of the business to be divested, and defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Provided, however, that the trustee shall not make available to prospective Acquirers any such information or documents consisting solely of information relating to purchases by Premdor and Premdor U.S. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of its responsibilities.

F. After its appointment, the trustee shall file monthly reports with the United States and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding

month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Towanda Facility, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Towanda Facility.

G. If the trustee has not accomplished such divestiture within six months after it becomes responsible for selling the Towanda Facility, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the plaintiff who shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

VII. Notice of Proposed Divestiture

A. Within two (2) business days following execution of a definitive divestiture agreement, defendants or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the United States of any proposed divestiture required by Section IV or VI of this Final Judgment. If the trustee is responsible, it shall similarly notify defendants. The notice shall set forth the details of the proposed divestiture and list the name, address, and

telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Towanda Facility, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States may request from defendants, the proposed Acquirer(s), any other third party, or the trustee if applicable additional information concerning the proposed divestiture, the proposed Acquirer(s), and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from defendants, the proposed Acquirer(s), any third party and the trustee, whichever is later, the United States shall provide written notice to defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to defendants' limited right to object to the sale under Section VI(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer(s) or upon objection by the United States, a divestiture proposed under Section IV or Section VI shall not be consummated. Upon objection by defendants under Section VI(C), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

VIII. Financing

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or VI of this Final Judgment.

IX. Hold Separate

Until the divestiture required by this Final Judgment has been accomplished, defendants shall take all steps necessary to comply with their individual obligations under the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestiture order by this Court.

X. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or VI, defendants, or if the transaction contemplated in the Purchase Agreement has closed, defendant Premdor shall deliver to the United States an affidavit as to the fact and manner of its compliance with Section IV or VI of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Towanda Facility, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts defendants have taken to solicit buyers for the Towanda Facility, and to provide required information to prospective Acquirers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and

complete, any objection by the United States to information provided by defendants, including limitation on information, shall be made within fourteen (14) days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, defendants shall deliver to the United States an affidavit that describes in reasonable detail all actions defendants have taken and all steps defendants have implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall individually keep all records of each of their individual efforts made to preserve and divest the Towanda Facility until one year after such divestiture has been completed.

XI. Compliance Inspection

A. For the purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United States Department of Justice, including consultants and other persons retained by the United States, shall, upon written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to defendants, be permitted:

- (1) access during defendants' office hours to inspect and copy, or at plaintiff's option, to require defendants provide copies of, all books, ledgers,

accounts, records and documents in the possession, custody, or control of defendants, relating to any matters contained in this Final Judgment; and

(2) to interview, either informally or on the record, defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by defendants.

B. Upon the written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, defendants shall submit written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by defendants to the United States, defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the United

States shall give defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XII. No Reacquisition

Defendants may not reacquire any part of the Towanda Facility during the term of this Final Judgment.

XIII. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XIV. Expiration of Final Judgment

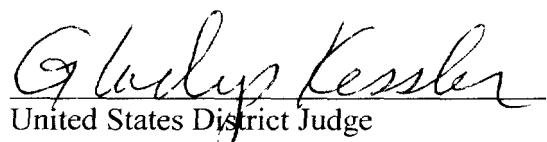
Unless this Court grants an extension, this Final Judgment shall expire ten years from the date of its entry.

XV. Public Interest Determination

Entry of this Final Judgment is in the public interest.

Dated: April 3, 2002

Court approval subject to procedures of the
Antitrust Procedures and Penalties Act, 15 U.S.C.
§ 16


Gladys Kessler
United States District Judge